

84TH CONGRESS  
1ST SESSION

# S. 1309

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## IN THE SENATE OF THE UNITED STATES

MARCH 4, 1955

Mr. SMITH of New Jersey (for himself and Mr. SALTONSTALL) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

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## A BILL

To amend the Federal Employees' Compensation Act, approved September 7, 1916, as amended, by providing for reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 9 of the Federal Employees' Compensation Act,  
4       as amended (5 U. S. C., 1952 edition, sec. 759) is further  
5       amended by adding at the end thereof a new subsection  
6       reading as follows:

7       “(c) The Secretary is authorized to enter into agree-  
8       ments with other Federal agencies for the furnishing of

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1 medical and other services of the kind provided for by this  
2 section, and for reimbursement to the agency furnishing the  
3 services of the approximate cost thereof as shall be agreed  
4 upon. The cost of furnishing such services shall be reim-  
5 bursed or paid from the Employees' Compensation Fund."

6 SEC. 2. Section 24 of such Act, as amended (5 U. S. C.  
7 1952 edition, sec. 774), is further amended by inserting  
8 before the first sentence thereof the designation "(a)" and  
9 by adding at the end of such section a new subsection read-  
10 ing as follows:

11 "(b) Whoever, being an officer or employee of the  
12 United States, knowingly and willfully falsifies, conceals, or  
13 covers up by any trick, scheme, or device, a material fact  
14 in relation to the injury or death of a person compensable  
15 under the provisions of this Act or any extension or applica-  
16 tion thereof, or makes any false, fictitious, or fraudulent  
17 statement or representation, or makes or uses any false  
18 writing or document knowing the same to contain any false,  
19 fictitious, or fraudulent statement or entry, in relation to  
20 such an injury or death, or induces or compels any person  
21 to forego the filing of any claim for compensation or other  
22 benefits provided under this Act or any extension or appli-  
23 cation thereof, or retains any notice, report, claim, or paper  
24 which is required to be filed under this Act or any extension  
25 or application thereof, or regulations promulgated there-

1 under, shall be fined not more than \$5,000 or imprisoned not  
2 more than two years, or both."

3 SEC. 3. Section 35 of such Act, as amended (5 U. S. C.  
4 1952 edition, sec. 785), is further amended to read as follows:

5 "SEC. 35. (a) There is established in the Treasury a  
6 separate fund to be known as the Employees' Compensation  
7 Fund which shall consist of the unexpended balances of  
8 moneys heretofore appropriated for the purposes thereof,  
9 together with such sums as the Congress may from time  
10 to time appropriate therefor or transfer thereto, and amounts  
11 otherwise accruing thereto under this section. Such fund,  
12 including all additions that may be made to it by appro-  
13 priation or otherwise, shall be available without time limit  
14 for the payment of the compensation, medical benefits, sums  
15 advanced as costs for enforcement of liability in third party  
16 cases as required or as undertaken by the Secretary pursuant  
17 to section 26 of this Act, and such other benefits and pay-  
18 ments as are provided for by this Act or any extension or  
19 application thereof, except as may otherwise be provided  
20 by this or other Acts.

21 "(b) Except as otherwise provided in subsection (e)  
22 of this section, each executive department and each agency  
23 or instrumentality of the United States, or other establish-  
24 ment, having employees who are or may be entitled to  
25 compensation under this Act or any extension or application

1 thereof (hereinafter called "agency") shall contribute to  
2 the maintenance of the Employees' Compensation Fund by  
3 the payment of premium charges based upon manual rates  
4 computed in a manner consistent with commercial insurance  
5 practice on the basis of experience under this Act as ap-  
6 plied to payrolls. The Secretary of Labor from time to  
7 time shall determine and promulgate such rates which shall  
8 be fair, reasonable, and adequate. As to all risks involving  
9 similar kinds and degrees of hazards the basic rates charged  
10 shall be the same: *Provided, however,* That in determining  
11 premium charges such rates may be adjusted to reflect an  
12 agency's loss experience by merit or experience rating.  
13 Premium charges may be made on the basis of employment  
14 in a particular office, bureau, or other constituent unit of  
15 an agency for which annual or other appropriations are made  
16 for personal services, or in such other manner as the Secretary  
17 of Labor may determine will best assist in the evaluation  
18 of trends with respect to safety at the various operational  
19 levels. Premium charges shall be determined prospectively  
20 on an annual basis, and readjustment of such charges may  
21 be made at any time on account of errors, changes in classi-  
22 fications of employments or extent of payroll exposure, or  
23 because of other similar factors which distort proper premium  
24 charges: *Provided,* That there shall be no retroactive read-  
25 justment of the manual rates,

1       “(c) The respective premium charges shall be deter-  
2 mined by the Secretary of Labor together with a charge for  
3 administrative expenses, and billed by him annually, quar-  
4 terly, or such other times as may be requested by the head  
5 of each agency concerned. The head of the agency con-  
6 cerned shall cause the said charges to be paid promptly from  
7 the respective appropriations and funds of the agency and its  
8 constituent units, such payments to be placed to the credit  
9 of the Employees’ Compensation Fund, to remain available  
10 thereafter for the payment of benefit costs and other pay-  
11 ments heretofore or hereafter authorized by statute.

12       “(d) The Secretary of Labor is authorized to expend  
13 from such fund, for the necessary administrative expenses of  
14 his Department and within such limitations as may be set in  
15 appropriation Acts annually. Premium charges and charges  
16 for administration of claims shall be subject to such readjust-  
17 ment and correction as may be found necessary, including  
18 repayment from the Employees’ Compensation Fund to the  
19 appropriation against which such charge was made. Should  
20 the Secretary of Labor determine at any time that there has  
21 developed in such fund a surplus of premiums over losses,  
22 which in his judgment is larger than is necessary adequately  
23 to safeguard the solvency of the fund, the Secretary shall  
24 cause such excess to be transferred into miscellaneous receipts  
25 of the Treasury.

1       “(e) Each agency required by this Act to contribute  
2 through the payment of premium charges to such fund shall,  
3 at such time, and in such manner and form as may be deter-  
4 mined by the Secretary of Labor, furnish the Secretary with  
5 payroll reports. Each agency shall upon request make its  
6 payroll records available to the Department of Labor for  
7 inspection and audit for premium-making purposes.

8       “(f) The provisions of this section in respect of the  
9 fixing and charging of premiums shall not apply to any  
10 agency, other than an executive department, with respect to  
11 any fiscal year if on June 30 of the second preceding fiscal  
12 year it had less than five thousand employees in its employ  
13 or in the cases of members of any reserve components of the  
14 military forces of the United States (including reserve and  
15 auxiliary of the Coast Guard) while serving as such members  
16 or persons engaged in emergency relief employment, or to  
17 persons to whom the benefits under this Act or any extension  
18 or application thereof are payable from sources other than the  
19 Employees' Compensation Fund. Loss experience under this  
20 Act arising from war-risk hazard (as defined by the Secre-  
21 tary of Labor) shall be excluded from the experience which  
22 is used under subsection (b) for ratemaking, and premium  
23 rates shall not include any loading for war-risk hazard as so  
24 defined.

25       “(g) Payments to the Employees' Compensation Fund

1 under this section shall be made from the respective appro-  
2 priations and funds which are used for payment of the sal-  
3 aries, wages or other compensation of the covered employees  
4 of the several agencies.”

5 SEC. 4. All provisions of law, other than those included  
6 in this Act, which require contribution or payment by any  
7 agency to the Employees' Compensation Fund are hereby  
8 superseded as to any agency required to comply with the  
9 provisions of section 35 of the Federal Employees' Compen-  
10 sation Act as amended by this Act: *Provided*, That this pro-  
11 vision shall not be construed as in any way affecting the  
12 liability of an agency for contributions in respect to compen-  
13 sation and other benefits for injury (or death from injury)  
14 where the injury occurred prior to the effective date of this  
15 Act.

16 SEC. 5. Section 4 of this Act shall take effect January  
17 1, 1956, and the first period for which charges shall be made  
18 as provided in section 3 of this Act shall commence on Jan-  
19 uary 1, 1956.

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By Mr. SMITH of New Jersey and Mr.

SAVITONSTALL

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